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United States Senate

COMMITTEE ON THE JUDICIARY

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CHIEF COUNSEL AND STAFF DIRECTOR

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

WASHINGTON, D.C. 20510

177-2895

November 17, 1977

Admiral Stansfield Turner
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Admiral Turner:

I am writing to inquire about the existence of a CIA study on the relationship between the Japanese Government and thirteen conglomerates. The enclosed October 17, 1977 article in Newsweek on page 25 alleges that there is such a study. I consider this report to be relevant to the Subcommittee's various inquiries into the international enforcement of the antitrust laws.

If there is such a report, I would appreciate your making it available to the Subcommittee as soon as possible. We would be willing to make appropriate assurances concerning its treatment by the Subcommittee. If there are any questions concerning this request, please have your staff contact Mr. Terry Lytle (224-7481).

Sincerely,

Edward M. Kennedy

Enclosures

Congress

NEWSWEEK - OCTOBER 17, 1977 ISSUE

Newsweek, October 17, 1977

page 25

JAPAN, INC.: AH, SO

The businessman's view of his Japanese competition as "Japan, Inc." may be more than a wry joke. A CIA study has found a direct link between the Japanese Government and thirteen giant conglomerates—a tie that allegedly enables Japan to undersell its competitors in world markets. The secret report was prepared for the White House and the Treasury, Commerce and Labor departments. It found that the Japanese Government sometimes subsidizes these conglomerates—which dominate virtually all segments of the economy through their 800 subsidiary companies—with government funds for research or with favorable tax treatment. In some cases, the CIA study found a complete vertical monopoly from raw materials to the retail department store.

UNCLASSIFIED	CONFIDENTIAL	SECRET
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EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
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3	LC	✓			
4	D/NEAC		✓		
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Remarks:

3637 (10-77)

Executive Secretary
21 NOV
 Date

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